

STATE OF NORTH CAROLINA

WAKE COUNTY

THE NORTH CAROLINA STATE BAR

Plaintiff

v.

L. PATTEN MASON, Attorney,

Defendant

BEFORE THE  
DISCIPLINARY HEARING COMMISSION  
OF THE  
NORTH CAROLINA STATE BAR  
10 DHC 23

COMPLAINT

Plaintiff, complaining of Defendant, alleges and says:

1. Plaintiff, the North Carolina State Bar (hereafter "State Bar"), is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar promulgated thereunder.

2. Defendant, L. Patten Mason (hereafter "Defendant" or "Mason"), was admitted to the North Carolina State Bar in 1967 and is, and was at all times referred to herein, an Attorney at Law licensed to practice in North Carolina, subject to the rules, regulations, and Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.

3. During all or part of the relevant periods referred to herein, Mason was engaged in the practice of law in the State of North Carolina and maintained a law office in Morehead City, Carteret County, North Carolina.

4. Mason represented Alex Willis Sr. (hereafter "Willis Sr.") in defending a lawsuit brought by Willis Sr.'s adopted son, Gregory Willis (hereafter "Gregory"). (This case is referred to hereafter as "*Willis v. Willis*"). The suit, filed in July 2004, alleged that Alex Willis Sr. had sexually abused Gregory when Gregory was a minor.

5. The parties in *Willis v. Willis* attempted to mediate the case in 2005, but mediation ended in impasse.

6. In June 2006, Gregory's counsel provided Mason with a tape recording of a conversation in which Willis Sr. acknowledged sexually assaulting Gregory.

7. After he received this evidence, Mason knew that Gregory might be entitled to recovery in *Willis v. Willis*, and was therefore a potential creditor of Willis Sr.

8. In December 2006, Mason prepared a deed conveying a one-half undivided interest in all of Willis Sr.'s real property to his biological son, Alex Willis, Jr. (hereafter "Willis Jr.").

9. In January 2007, Mason prepared another deed conveying the remaining one-half interest in Willis Sr.'s real property to Willis Jr.

10. The two deeds prepared by Mason conveyed Willis Sr.'s home and a "boat house property" where Willis Sr. conducts his boat building business.

11. Willis Sr. had at least \$500,000.00 of equity in the boat house property when he deeded it to Willis Jr.

12. Willis Sr. continued to live in his home after he deeded it to Willis Jr.

13. Willis Sr. received no consideration from Willis Jr. in exchange for the real property.

14. The January 2007 deed prepared by Mason and recorded with the Carteret County Register of Deeds showed revenue stamps of \$20.00, indicating that the purchase price for the property was \$10,000.00.

15. Mason knew, at the time he prepared the January 2007 deed, that Willis Jr. had not paid Willis Sr. \$10,000.00 for the property conveyed by that deed.

16. After his real property was transferred to Willis Jr., Willis Sr. owned no other substantial property.

17. N.C. Gen. Stat. § 39-23.4(a) provides:

"A transfer by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or after the transfer was made . . . if the debtor made the transfer:

(1) With intent to hinder, delay, or defraud any creditor of the debtor; or

(2) Without receiving a reasonably equivalent value in exchange . . . and the debtor . . . was about to engage in a . . . transaction for which the remaining assets of the debtor were unreasonably small."

18. Mason knew, at the time he prepared the deeds described above, that it is fraudulent to transfer assets for the purpose of hindering, delaying or defrauding a creditor.

19. *Willis v. Willis* was set for trial in December 2007. On the day trial was set to begin, Mason and Gregory's attorneys negotiated a settlement.

20. During settlement negotiations, Mason discussed with opposing counsel his client's ability to pay a judgment in the case.

21. Mason stated that although Gregory wouldn't be able to collect a large jury verdict from his client, Willis Sr. did have sufficient equity in his property that he could borrow a reasonable settlement amount.

22. In settlement negotiations, Mason pointed to Willis Sr.'s property holdings as an assurance that his client would be able to come up with the \$120,000.00 he agreed to pay in settlement.

23. At the time Mason participated in settlement negotiations with opposing counsel in *Willis v. Willis*, he knew that Willis Sr. did not own any real property.

24. Based in part on Mason's assurances that his client had sufficient equity in property holdings to borrow the settlement amount, Gregory agreed to settle *Willis v. Willis* for \$120,000.00.

25. The parties agreed that if Willis Sr. had not paid the settlement by 10 March 2008, Gregory would be entitled to file a Confession of Judgment reflecting that Willis Sr. owed Gregory \$120,000.00.

26. Willis Sr. did not pay Gregory the agreed-upon settlement, so the Confession of Judgment was filed, making Gregory a creditor of Willis Sr.

27. Thereafter, Gregory and his attorneys learned that Willis Sr. no longer had any real property to which the judgment could attach, nor did he have any other property of sufficient value to satisfy the judgment.

28. Gregory brought another suit against Willis Sr., seeking to set aside the deeds prepared by Mason on the grounds that the transfers were designed to defraud Gregory's claim as a creditor of Willis Sr.

29. In an April 2009 summary judgment order, the Superior Court concluded that the transfers "were done and performed by Alex V. Willis, Sr., with the intent to hinder, delay, or defraud a creditor, Gregory B. Willis."

30. The court also concluded that "transfer of the property by way of the deeds [from Willis Sr. to Willis Jr.] was fraudulent," and set aside the conveyances.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C.G.S. § 84-28(b)(2) in that Defendant violated one or more of the Rules of Professional Conduct in effect at the time of his actions as follows:

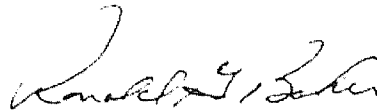
- (a) By preparing deeds transferring all of Willis Sr.'s real property to another person without consideration when he had actual knowledge of a potential creditor's claim against Willis Sr., Mason knowingly assisted a client in conduct he knew to be fraudulent in violation of Rule 1.2(d) and engaged in conduct involving fraud in violation of Rule 8.4(c);

- (b) By knowingly preparing and recording in the public record a deed which falsely reflected the purchase price of property, Mason assisted a client in conduct he knew to be fraudulent in violation of Rule 1.2(d) and engaged in conduct involving dishonesty, deceit, or misrepresentation in violation of Rule 8.4(c);
- (c) By affirmatively misleading the opposing party and counsel into believing his client still held title to real property, Mason engaged in conduct involving deceit and misrepresentation in violation of Rule 8.4(c); and
- (d) By making misrepresentations that induced the opposing party to agree to a settlement that could not be collected, and by assisting in fraudulent transfers which precipitated additional unnecessary litigation and delay, Mason engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).

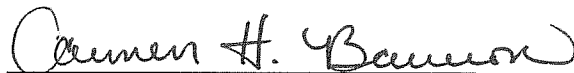
WHEREFORE, Plaintiff prays that

1. Disciplinary action be taken against Defendant in accordance with N.C.G.S. § 84-28 (c) and 27 N.C.A.C. 1B § .0114 as the evidence on hearing may warrant;
2. Defendant be taxed with the costs permitted by law in connection with this proceeding; and
3. For such other and further relief as the Hearing Panel deems appropriate.

This the 27th day of May, 2010.



Ronald G. Baker, Chair  
Grievance Committee



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